

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



**FILED**

9-30-16  
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Application of Chariot Transit, Inc., dba Chariot Transit for authority to operate as a scheduled, and on-call passenger stage corporation between points in San Francisco and surrounding counties including Alameda, San Francisco, Marin, Contra Costa, San Mateo, and Santa Clara counties and various locations in downtown San Francisco and surrounding counties including Alameda, San Francisco, Marin, Contra Costa, San Mateo, and Santa Clara counties; and to establish a Zone of Rate Freedom.

A.16-08-015

(Filed August 24, 2016)

**PROTEST TO APPLICATION NO. 16-08-015 BY THE GOLDEN GATE BRIDGE,  
HIGHWAY AND TRANSPORTATION DISTRICT**

Pursuant to Rules of Practice and Procedure, Rules 1.4(a)(2) and 2.6(c) of the California Public Utilities Commission (the “PUC”), the Golden Gate Bridge, Highway and Transportation District (“the District”) submits this Protest to Application No. 16-08-015 of Chariot Transit Inc. (“Chariot”), dated August 24, 2016.

**Background**

The District is a California special district created pursuant to California Streets and Highway Code Section 27000 *et. seq.* Under its enabling legislation, it is empowered to operate public transportation services within or outside the District. “The district may ... provide any such mode of transportation as may be deemed by the board to be reasonable and appropriate to provide or to assist in providing transportation within or partly outside the district.” (Cal. Streets & Highways Code Section 27550.) Following enactment of statutory authorization to operate public transportation in 1969, the District has served as a regional public bus transportation provider of scheduled services between San Francisco, Marin County, Sonoma County, and Contra Costa County. (Declaration of Richard Hibbs (“Hibbs Decl.”), ¶3.) The District also serves as the primary local public bus transportation provider in Marin County pursuant to a long-term contract with the Marin County Transit District. (*Id.*) The District

presently operates 28 bus routes, carrying more than 5.6 million bus passengers in the last fiscal year. (*Id.*)

The Application contemplates services within these same markets, possibly beyond, and with the apparent intention to pick up and discharge passengers at or very close to bus stops currently served by the District. The District requests the Commission deny the Application with instructions to amend or, in the alternative, require reasonable conditions.

### **Correspondence and Communication**

All subsequent correspondence, communications and pleadings in connection with this Response or the Application should be directed to:

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### **Grounds for Protest**

#### **1. Factual and Procedural History**

Chariot is a private transit service in the Bay Area in which customers reserve rides on fixed routes in advance and pay a fixed fee. (Application, pp. 1-3.) Starting in August 2014, the District became aware that Chariot was using the District's bus stops in the San Francisco Financial District to place "sandwich board" signage and to pick up passengers. (Hibbs Decl., ¶4, Exhs. A and B.) Chariot did not request the District's permission to use the District's bus stops, nor did it attempt to coordinate with the District in any way. (*Id.* ¶4.) The District reached out to Ali Vahabzadeh, Chariot's CEO, on July 10, 2015, asking that Chariot stop using and blocking the District's bus stops, and explaining that Chariot's actions were causing system-wide delays in the District's public transit service. (*Id.*, ¶5; Exh. C.) The District also requested that Chariot provide an explanation for the legal basis for operating without a California Public Utilities Commission license. (*Id.*)

Mr. Vahabzadeh's response did not offer any explanation, rather summarily stated Chariot was operating legally. (Hibbs Decl., ¶6.) The letter, which is attached to the Hibbs Decl. as Exhibit D, states:

Your reading of the CPUC Code and its licensing is wrong and your accusations are misinformed. I won't bother to quote the code section or provide the legal opinion for our *fully legal activities*, but rather assure you we are following the absolute letter of the law.

(Emphasis in original.) While Mr. Vahabzadeh claimed in this same letter that he had spoken with District representatives at least twice, the District is only aware that he only spoke with one District representative once and, during this conversation, refused to acknowledge that his operations were interfering with the District's operations. (*Id.*)

Rather than respond to the District's concerns, Chariot's disruption of the District's bus operations continued and even intensified. (Hibbs Decl., ¶7.) By August 2015, Chariot vehicles were blocking the District's bus stops on Fremont and Sansome streets in San Francisco with regularity. (*Id.*) Chariot's vehicles would often wait in the District's bus stops, forcing the District's bus drivers to "nosedive" into their bus stops or stop the bus at a distance away from the curb to board passengers. (*Id.*) Boarding passengers away from the curb requires passengers to enter the street and could endanger their safety, particularly for the elderly and the disabled. (*Id.*) To this day, Chariot vehicles continue to block the District's bus stops while dropping off and picking up passengers, cut off the District's buses near the District's stops, and make illegal turns in front of buses, which creates unsafe conditions for the District's passengers. (*Id.*, ¶8; Exh. E.)

Chariot did not limit its operations to San Francisco, however, and the situation worsened as Chariot expanded into Marin County the summer of 2015. (Hibbs Decl., ¶9.) Just as it had done in San Francisco, Chariot began using the same stops and driving the same routes as the District's buses in Marin County. (*Id.*) For example, Chariot's pickup schedule was about three minutes ahead of the District's scheduled bus route number 4, indicating Chariot intentionally targets the District's passengers. (*Id.*) Chariot continued to expand its operations in the Bay Area and increasing interference with the District's bus service in San Francisco and Marin counties as Chariot grew. Indeed, Chariot's own website indicated that it had increased to five routes extending further beyond San Francisco and Marin counties, and into San Mateo and Alameda counties. (*Id.*, ¶10.)

At the same time it was expanding, Chariot began also actively soliciting District passengers waiting to board District buses *on the District's own private property*, at its San Rafael Transit Center. (Hibbs Decl., ¶11, Exh. F.) Further, Chariot has targeted District passengers through a leaflet campaign, e-mails, and Twitter messages, undermining the mission and operations of a public transportation system. (*Id.* at ¶11.)

In light of Chariot's persistence in operating at the District's bus stops and outside of San Francisco without any appropriate permission, the District brought Chariot's operations to the attention of the PUC in May 2016. (Hibbs Decl., ¶12.) On June 7, 2016, the District sent a cease-and-desist letter, demanding Chariot stop interfering with the District's operations and stop trespassing at the San Rafael Transit Center. (*Id.*, Exh. G.) Chariot did not respond to this letter. (*Id.*) On or about June 10, 2016, the District understands that the PUC also sent a cease-and-desist letter to Chariot, instructing Chariot that it must not operate outside San Francisco or to apply for a PUC Passenger State Corporation license. (*Id.*)

Despite the PUC's letter and admonishment, Chariot continued to operate in several Bay Area counties. (Hibbs Decl., ¶13.) In particular, Chariot vehicles have been following the District's bus routes in Marin County and using the District's bus stops in Marin County, including the Manzanita Park and Ride lot in Mill Valley. (*Id.*, Exhs. H and I.) Confronted with daily issues, counsel for the District communicated with the PUC regularly regarding the status of its investigation of Chariot. (*Id.*)

The District then learned that Chariot attempted to file an application for a Certificate of Public Convenience and Necessity with the PUC on June 15, 2016, but that this application was defective. (Hibbs Decl., ¶14.) On or about August 24, 2016, Chariot apparently filed an amended application – the Application currently before the Commission. (*Id.*) Despite the notice requirements and Chariot's clear understanding of the District's interest in its operations, Chariot did not provide notice to the District of either its first or amended application. (*Id.*) Instead, PUC investigator Brian Kahrs was kind enough to provide the District with a copy of the Application on September 8, 2016. (*Id.*) The District never received service of the Application from Chariot itself, and has no reason to believe any other potentially impacted entity or agency has been served. (*Id.*)

Exhibit C of the Application indicates Chariot intends to use the same and similar bus stops as the District. (Hibbs Decl., ¶15.) The following locations are District bus stops that Chariot has been using and intends to continue using, according to its Application:

- Sunnyside and Miller Avenues, Mill Valley: District Route 4 and Chariot's Mill Valley Missile route
- Manzanita Park and Ride Lot, Mill Valley: District Route 4 and Chariot's Mill Valley Missile route
- Spencer Avenue Bus Pad, Sausalito: District Route 4 and Chariot's Mill Valley Missile route
- Mission and First Streets, San Francisco: District Routes 30, 70, and 101 and Chariot's Pacific Rush and California Dreamin' routes
- Beale and Howard Streets, San Francisco: District Routes 30, 70, and 101 and Chariot's Union Cruiser route
- Fremont Street between Mission and Market Streets, San Francisco: District Routes 38, 54, 56, 58, 72, 74, and 76 and Chariot's Mill Valley Missile and Chestnut Bullet routes
- Geary and Arguello Boulevards, San Francisco: District Route 92 and Chariot's Richmond Racer and Geary Galloper routes

(*Id.*) The following locations are District and Chariot stops in San Francisco that are very close, either within a block or a few blocks away from each other:

- Perry and Third Streets (District Routes 2, 4, 8, 18, 24, 27, 38, 44, 54, 56, 58, 72, 74, 76, 92, and 93) and Third and South Park Streets (Chariot Routes SoMa Express and California Dreamin')
- Pine and Battery Streets (District Routes 2, 4, 8, 18, 38, 72, 74, and 97) and Bush and Battery Streets (Chariot Route Pacific Rush)
- Fremont and Mission Streets (District Routes 4, 27, 30, and 44) and 45 Fremont Street (Chariot's Mill Valley Missile and Chestnut Bullet routes)
- Market and Seventh Streets (District Routes 24, 30, 54, 70, 92, 93, and 101) and Market and Fifth Streets (Chariot's The Great Haight Route)

(*Id.*)

Finally, as of the date of this filing, Bloomberg has reported that Chariot is in the process of being sold to, or already has been sold to, the Ford Motor Co., a fact that is not mentioned in Chariot's Application.

## **2. Chariot's Application Should Be Denied With Instructions To Amend**

First, Chariot failed to provide proper notice of this Application to the District as required under the PUC's Rules of Practice and Procedure, Rule 3.3(b). The Application states "Complete copies of this application, including all exhibits have been mailed to the entities and agencies listed below," and then fails to list any entities or agencies below. (Application, p. 6.)

However, Exhibit G to the Application provides a comprehensive list of the entities, agencies, and operators that Chariot acknowledges will be impacted. On information and belief, none of these entities, agencies or operators was served, and each deserves an opportunity to be heard. This is particularly troubling given Chariot's past behavior. Candor and coordination are important when serving the riding public.

Second, Chariot's Application is deficient because it is ambiguous. The Application fails to state in which counties it intends to operate its shared ride services and in which counties it intends to operate its charter services. The Application states only that Chariot seeks a Certificate of Public Convenience and Necessity:

... for the transportation of passengers between points in San Francisco and surrounding counties including Alameda, San Francisco, Marin, Contra Costa, San Mateo, and Santa Clara counties and various locations in downtown San Francisco, and surrounding counties including Alameda, San Francisco, Marin, Contra Costa, San Mateo and Santa Clara counties. Currently, Chariot Transit operates under TCP Permit 35485 for transporting charter groups and company gatherings.

(Application, pp. 1-2.) Exhibit D, which lists Chariot's vehicles, also states ambiguously that "Vehicles listed below will be operated for proposed routes, as well as being utilized for currently existing chartering services." These statements make it unclear as to where Chariot will be operating which of its various services, clarity required to meaningfully evaluate the Application. It is further ambiguous regarding in what instances Chariot will be receiving payments by individual riders for commuting services or by groups for charter services.

Third, Chariot's Application fails to address numerous important issues relevant to its operations. To begin, Chariot does not discuss its impact on the environment, which is significant because Chariot is taking currently-served bus passengers. Indeed, running additional vehicles to carry the same passengers, leaving behind public transportation buses that will be on the road regardless of their vacancy, is inefficient in terms of traffic congestion and greenhouse gas concerns. Chariot also neglects to address whether its vehicles are compliant with the Americans with Disabilities Act and how it will be providing allegedly complementary service to all passengers, regardless of their abilities. Creating a two-tiered system – one inaccessible by those with mobility challenges – only serves to divide the traveling public. Finally, Chariot does not include or mention Ford Motor Co., its known expected buyer, in its Application and therefore does not openly address the consequence of its pending sale on its Application.

Chariot should amend its Application to address the ambiguities and notice deficiencies, and voluntarily agree to provide answers to these additional important questions concerning the environmental impact, accessibility, and its impending new corporate structure.

**3. In The Alternative, Chariot's Application Should Be Subject To Conditions**

If the PUC is inclined to grant Chariot's present Application, the District requests that it do so subject to reasonable conditions.

To begin with, the District requests the PUC make a condition of licensing that Chariot not use or otherwise block the District's bus stops to pick up or drop off passengers. For example, as to the bus stops on Route 101, under the District's agreement with Caltrans, the District has exclusive right to use these bus stops. As to the bus stops in San Francisco, the District either has exclusive right to use the bus stops or has arrangements with other transit authorities regarding the District's use. Further, the unauthorized use of the District's bus stops disrupts the District's bus operations and undermines the safety of persons in the area by creating competition for a space meant for one vehicle and forcing District buses to stop away from a blocked curb to pick up and drop off passengers. This problem is particularly exacerbated when Chariot operates its vehicles on the same route, but three minutes ahead of the District's schedule, as it has done in the past.

Next, the District requests the PUC make a condition of licensing that Chariot not stop within 500 feet of the District's bus stops to pick up or drop off passengers. Likewise, the unauthorized use of the areas close to the District's bus stops disrupts the District's bus operations and undermines the safety of persons in the area. Given the limited number of District bus stops Chariot is using relative to Chariot's operations, restricting Chariot's use of these areas should not be a burden on Chariot.

Finally, the District requests the PUC expressly prohibit Chariot from soliciting the District's passengers through direct oral and written communications at the District's bus stops, including signage, leafleting, and approaching District bus passengers in person.

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**Conclusion**

For the reasons set forth above, the District requests that the Commission deny Chariot's Application with instructions to amend or, in the alternative, grant the Application subject to the reasonable conditions set forth above.

DATED: September 30, 2016

Respectfully submitted,

HANSON BRIDGETT LLP

By: 

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EMILY M. CHARLEY

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Attorneys for Golden Gate Bridge, Highway and  
Transportation District



**VERIFICATION**

I, Richard R. Hibbs, state:

I am the Director of Bus Operations for the Golden Gate Bridge, Highway, and Transportation District, and I am authorized to make this verification for and on its behalf. I have read the Protest of the Golden Gate Bridge, Highway and Transportation District, and know of its contents. I am informed and believe that the matters stated in the foregoing document are true and correct.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 30, 2016, at SAN RAFAEL, California.

Richard R. Hibbs  
Print Name of Signatory

  
Signature